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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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Robert D. White

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EXAMINER

TROTTER, SCOTT S

ART UNIT

PAPER NUMBER

3694

MAIL DATE

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PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/642,769	Applicant(s) WHITE, ROBERT D.	
	Examiner SCOTT S. TROTTER	Art Unit 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 26 November 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3,5,6,8-10,12,13,15,17,36 and 37 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3,5,6,8-10,12,13,15,17,36 and 37 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. The Office acknowledges the receipt of Applicant's Amendment, filed November 26, 2008.

Response to Applicant's Arguments

2. Applicant's arguments were fully considered but were not persuasive.
3. Applicant(s) attempt at traversing the Official Notice findings as stated in the previous Office Action (Paper No. 5/30/2008, Paragraph No. 8) is inadequate. Adequate traversal is a two step process. First, Applicant(s) must state their traversal on the record. Second and in accordance with 37 C.F.R. §1.111(b) which requires Applicant(s) to specifically point out the supposed errors in the Office Action, Applicant(s) must state *why* the Official Notice statement(s) are not to be considered common knowledge or well known in the art. In this application, while Applicant(s) have clearly met step (1), Applicant(s) have failed step (2) since they have failed to argue *why* the Official Notice statement(s) are not to be considered common knowledge or well known in the art. Their argument instead consisted of the Official Notice did not overcome the independent claim that did not point out why the statement given is not old and well known in the art. Because Applicant(s)' traversal is inadequate, the Official Notice statement(s) are taken to be admitted as prior art. See MPEP§2144.03.

In the interest of hurrying prosecution it is pointed out that claim 9 had a reference supporting it supplied in the last office action. In addition for claim 3 and 13 Wood v. Lady Gordon Duff Gordon 222 NY 88 or 118 NE 214 (1917) supports that a benefit must be given to receive an exclusive right. Richardson shows receiving a

Art Unit: 3694

liquidated damage award for a breach of an employment contract showing that yes they were known in exclusive contracts. Therefore only claim 10 does not have referential support.

Claim Interpretation

4. Examiner's Note: While the applicant's invention as gleaned from the specification seems likely to be novel and nonobviousness the claims seem to be broader than the invention and growing broader. Specifically "other accounts or payment mechanisms associated with the customer" can be interpreted as the payment of the credit card account by the customer using their checking account with such payment being sufficient to meet the current level of expected payment. "Benefit" also is open to very wide interpretation the continued use of a credit card account is an obvious benefit of the payment of credit card bills also the freeing up of credit by having paid the bill is also a benefit. Given these interpretations the previous art is still sufficient to reject the claims

5. Something that could be helpful is clarifying the monitoring mechanism i.e. the monitoring of the account holder's credit account usage of the dedicated account in relation to all of their other credit accounts usage over the designated periods. The monitoring of credit activity corresponding to the credit account is simply monitoring the accounts transactions something that is done for every credit account it is not necessarily bringing in other accounts which I consider the intent of the invention.

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Claim Rejections - 35 USC § 112, first paragraph

6. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

7. Claims 1-3, 5, 6, 8-10, 12, 13, 15, 17, 36, and 37 are rejected under 35 U.S.C. 112, first paragraph, because the specification, while being enabling for monitoring credit accounts, does not reasonably provide enablement for monitoring payment mechanisms such as cash. The specification does not enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to practice the invention commensurate in scope with these claims. At a minimum cash is untraceable it is unclear how other payment mechanisms such as checking accounts level of usage can be tracked beyond the existence of an unapproved account violating the agreement.

Claim Rejections - 35 USC § 112, second paragraph

8. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Art Unit: 3694

9. Claims 3 and 13 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It is unclear what is meant by "exclusive use of the credit account". It brings up the question exclusive for what?

Clarification and/or correction are required.

Claim Rejections - 35 USC § 101 Utility

10. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

11. Claims 1-3, 5, 6, 8-10, 12, 13, 15, 17, 36 and 37 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Claims 1-17, 36, and 37 are directed to a process. In order to be statutory a process must be either tied to another statutory class (such as a particular apparatus) or transform underlying subject matter (such as an article or materials) to a different state or thing. The only apparatus mentioned in the claims is a computer system which in the context of a "usage program" could be interpreted to be software. **(Figure 3 includes a data processing unit and memory put in either or both and it can't be simply software.)** There also does not appear to be a physical transformation so neither test is currently satisfied making it non-statutory.

Claim Rejections - 35 USC § 102

12. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless --

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

13. Claims 1, 2, 5, 6, 8, 12, 15, and 17 are rejected under 35 U.S.C. 102(b) as being anticipated by Walker et al. (U.S. Patent 6,018,718).

As per claim 1 Walker teaches:

A method for managing dedicated use of a credit account, comprising:
receiving information regarding a credit account, the credit account associated with a customer; (*See Walker abstract. Accessing historical account data.*)
associating the credit account with a usage program using one or more computer systems, (*See Walker abstract. Selecting a reward offer having an associated reward description*)
the usage program comprising one or more terms of dedicated use, (*See Walker abstract. The performance target is the term of dedicated use*)
the terms of dedicated use associated with providing a benefit to the customer in return for dedicated use of the credit account the dedicated use of the credit account comprising a predetermined level of usage of the credit account by the customer in relation to one or more other accounts or payment mechanisms associated with the customer; (*See Walker abstract. The reward is the benefit.*)

Art Unit: 3694

providing the benefit to the customer according to the terms of dedicated use; (*See Walker abstract.*)

monitoring credit activity corresponding to the credit account using one or more second computer systems; (*See Walker abstract.* Collecting the transaction data is monitoring the credit activity for this account.) and

maintaining the benefit if the monitored credit activity satisfies the terms of dedicated use. (*See Walker abstract.* If the transaction data exceeds the target a reward is issued.)

As per claim 2 Walker teaches:

The method of Claim 1, further comprising penalizing the customer if the monitored credit activity does not satisfy the terms of dedicated use. (*See Walker column 2 lines 20-30.* Failing to maintain the desired balance will cause a higher interest rate to be charged which is a penalty for failing to meet the terms of the offer.)

As per claim 5 Walker teaches:

The method of Claim 1, wherein associating the credit account with a usage program further comprises:

offering the customer participation in the usage program; and

receiving an acceptance of the offer from the customer. (*See Walker abstract*)

As per claim 6 Walker teaches:

The method of Claim 1, wherein:

the credit account is associated with an interest rate; and

Art Unit: 3694

providing the benefit to the customer according to the terms further comprises lowering the interest rate. (*See Walker figure 4. APR Reduction is an Annual Percentage Rate Reduction.*)

As per claim 8 Walker teaches:

The method of Claim 1, wherein providing the benefit to the customer according to the terms of dedicated use further comprises:

determining an original usage level associated with the credit account;

identifying the benefit from a plurality of benefit options, the benefit associated with the original usage level; and

providing the identified benefit. (*See Walker abstract*)

As per claim 12 Walker teaches:

A method for providing a dedicated credit account using one or more computer systems, comprising:

providing a credit card customer with a credit account;

associating the credit account with a usage program using one or more computer

systems, the usage program comprising one or more terms of dedicated use, the terms of dedicated use associated with providing a benefit to the customer in return for

dedicated use of the credit account, the dedicated use of the credit account comprising a predetermined level of usage of the credit account by the customer in relation to one

or more other accounts or payment mechanisms associated with the customer; and

providing the benefit to the customer if credit activity associated with the credit account satisfies the terms of dedicated use. (*See Walker abstract*)

As per claim 15 Walker teaches:

The method of Claim 12, wherein:

the credit account is associated with an interest rate; and
providing the benefit to the customer further comprises lowering the interest rate. (See *Walker figure 4*. APR Reduction is an Annual Percentage Rate Reduction.)

As per claim 17 Walker teaches:

The method of Claim 12, wherein providing the benefit to the customer if credit activity associated with the credit account satisfies the terms of dedicated use further comprises:

determining an account usage level associated with the credit account;
identifying the benefit from a plurality of benefit options, the benefit associated with the account usage level; and
providing the identified benefit. (See *Walker abstract*)

Claim Rejections - 35 USC § 103

14. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

15. Claims 3, 9, 10, 13, 36, and 37 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker in view of Official Notice.

As per claims 3 and 13 Walker teaches the methods of claims 1 and 12. Walker does not teach providing benefits for an exclusive creditor deal. Official Notice is taken that it is old and well known in the art of exclusive deals that a benefit must be given to receive an exclusive right and it also well known to have liquidated damages clauses in such contracts to establish the proper level damages for breach of the contract. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to provide a benefit for being the exclusive credit provider for a customer since it establishes a set level of compensation to eliminate all other credit competition.

As per claim 9 Walker teaches the method of Claim 1,
wherein monitoring credit activity corresponding to the credit account further comprises monitoring a credit report corresponding to the customer, the credit report comprising information associating the credit activity of the credit account with the customer.

While Walker does not explicitly teach monitoring the credit reports of customers to change benefits based on changes in risk it is old and well known in the art of credit cards to monitor such reports and change the interest rates being charged based on them.

As per claim 10 Walker teaches the method of Claim 2,

Art Unit: 3694

wherein penalizing the customer if the monitored credit activity does not satisfy the terms of dedicated use further comprises charging a penalty fee to the customer.

While Walker does not explicitly teach charging a penalty fee for failing to meet the terms of dedicated use it does teach having consequence of not providing the agreed reward. (See *Walker abstract*) Official notice is taken that it is old and well known in the art of credit cards to charge penalty fees for failing to meet contract terms with the most obvious example being late fees. Therefore it would have been obvious to a person of ordinary skill in the art at the time the invention was made to charge a penalty fee for failure to meet a contract term with regards to other programs as well.

As per claims 36 and 37 Walker teaches the methods of claims 2 and 12 while it did not explicitly teach maintaining a predetermined level of activity to maintain a benefit Official Notice is taken that it is old and well known in the art of credit cards to deactivate credit card accounts based on inactivity. Which is monitoring an accounts usage level to see if meets a predetermined level and providing the benefit of access to the service if it is maintained.

Conclusion

16. The prior art made of record and not relied upon is considered pertinent to

Applicant's disclosure:

- Nancy Paradis (St. Petersburg Times, May 3, 1999) - Teaches that credit card accounts were being closed for inactivity.

17. Examiner's Note: The Examiner has cited particular columns and line numbers in the references as applied to the claims for the convenience of the applicant.

Art Unit: 3694

Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

18. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

19. Any inquiry concerning this communication from the examiner should be directed to Scott S. Trotter, whose telephone number is 571-272-7366. The examiner can normally be reached on 8:30 AM – 5:00 PM, M-F.

Art Unit: 3694

20. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell, can be reached on 571-272-6712.

21. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system, see <http://pair-direct.uspto.gov>.

Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

22. The fax phone number for the organization where this application or proceeding is assigned are as follows:

(571) 273-8300	(Official Communications; including After Final Communications labeled "BOX AF")
(571) 273-6705	(Draft Communications)

sst
3/4/2009

/James P Trammell/
Supervisory Patent Examiner, Art Unit 3694